

ID: CCA_2010093008475470

Number: **201041043**

Release Date: 10/15/2010

Office:

UILC: 3121.10-04

From:

Sent: Thursday, September 30, 2010 8:47:57 AM

To:

Cc:

Subject: Section 530 question

As we discussed by telephone yesterday, it appears that taxpayer may be entitled to relief under section 530, based on reasonable reliance on long-standing recognized practice of a significant segment of the industry, as evidenced by the affidavit taxpayer provided from one of the founding owners of taxpayer (described in the taxpayer's letter regarding 530 relief). The founder states that, based on his lifelong experience in the transportation industry, taxpayer from its inception used an IC model, contracting with ICs to provide the primary piece of equipment (the truck) and all maintenance. The founder worked for many years as an IC owner-operator for multiple motor carriers, observing nearly exclusive use of ICs in the industry.

As for the reporting consistency requirement, while the error on Form 1099 may not make taxpayer fail reporting requirement, taxpayer should correct the error.